Potential investors should consider carefully all the information set out in this prospectus and, in particular, should evaluate the following risks associated with an investment in the Company before making any investment decision regarding the Company. You should pay particular attention to the fact that the Company is incorporated in the Cayman Islands and the Group has operations conducted outside Hong Kong and is governed by a legal and regulatory environment which in some respects may differ from that in Hong Kong. Any of the risks and uncertainties described below could have a material adverse effect on the Group's business, results of operations, financial condition or on the trading price of the Shares, and could cause you to lose all or part of your investment.

RISKS RELATING TO THE GROUP

The Group relies on a limited number of vessels

The Company is a holding company and most of the revenues and profits of the Group have been generated by the four Operating Subsidiaries, which are the holding companies of the Group's vessels. As at the Latest Practicable Date, the Group's fleet consists of three panamax size and one capesize dry bulk vessels with a total tonnage of about 343,330 dwt. Please refer to the section headed "Business — Business of the Group — Fleet composition" for further details of the Group's vessels. During the year ended 31 March 2010, revenue attributable to GREAT HARVEST, GH FORTUNE, GH POWER and GH RESOURCES amount to about 16.7%, 18.2%, 22.0% and 43.1%, respectively, of the Group's total revenue during the year.

As the number of vessels owned and operated by the Group is limited, each of these vessels had significant contributions to the Group's results during the Track Record Period. Any disruption or cessation of the operation of any one of the Group's vessels, whether caused by retirement, ship arrests, inspection, repair or maintenance, marine accidents, mechanical failure, labour strikes, human errors, adverse weather conditions, terrorist attacks, piracy or other reasons, or any loss or damage suffered by the Group in respect of the vessel, such as default in payment of charter hire by any particular charterer of the vessel, could have significant impact on the business, profitability and operating results of the Group.

There is no assurance that the additional vessels that the Group plans to acquire in the future will be sufficient for the Group to minimise the impact on the Group as a result of any disruption or cessation of, or loss or damage suffered in respect of, the other vessel(s) of the Group.

Restrictions against payments of dividends from, and applications of earnings of, the Company's subsidiaries affect the Company's ability to pay dividends and to service its debts

The Company is a holding company incorporated in the Cayman Islands. The Group operates its business primarily through the Operating Subsidiaries. The availability of funds to enable the Company to pay dividends to the Shareholders and to service the Company's debts depends upon dividends received from the Operating Subsidiaries. Under the loan agreements and other security documents entered into between the Group with its banks which were subsisting as at the Latest Practicable Date, Joy Ocean, Great Ocean and Bryance Group shall not declare or pay any dividends without the consent of the relevant banks, and the only Operating Subsidiary that is not subject to similar restriction is Greater Shipping. There is no assurance that the Group will be able to obtain the requisite consents from the relevant banks for the declaration or payment of dividends from any of these Operating Subsidiaries to the Company, or any such consent, even if so granted, will not be subject to conditions that may be imposed by the banks on the Group. Restrictive covenants in bank loans or other agreements or debts instruments that the Group may enter into or issue in the future may also restrict the Company's subsidiaries to make distributions to the Company. For example, the charter hire income in respect of each of the vessels held by them, namely GH FORTUNE, GH RESOURCES and GH POWER, are also subject to general assignments in favour of the banks pursuant to which a portion of such charter hire incomes shall be first retained by the banks for repayment of the principals and interests payable under these bank loans and for maintaining certain minimum amount of deposits with the banks as security, and may only release the balance of such charter hire income to the Group if there has not been any event of default at that time. Any of these restrictions on the availability and usage of the Company's major source of funding may impact the Company's ability to declare or pay dividends to the Shareholders and to service its debts.

The Group relies on external professionals to oversee the business operations of the vessels

To facilitate efficient operation and management of its vessels, the Group has outsourced the operational activities of all of its vessels, such as technical management, crew management, ship insurance and claims handling, audit services on ships and other services in respect of the operations of the Group's vessels to Wallem as ship manager. Details of the responsibilities of Wallem are set out in the section headed "Business — Business of the Group — Fleet management" in this prospectus. The ship management agreements entered into between the Group and Wallem are on-going with no fixed terms and may be terminated by either party by giving at least two-month notice. In addition, in order to ensure that the Group's vessels are chartered out timely to avoid any loss of revenue arising from any off-hire period between two charters, the Group generally engages the services of shipbrokers which provide the Group with information relating to potential customers at different locations in the world, identify and introduce suitable potential charterers to the Group based on primarily the availability and specification of the vessels and the shipping requirements of the potential charterers. The Group then selects customers based on, among other factors, the counterparty information provided by the shipbrokers and negotiate and conclude the terms of the time charters with the potential customers through shipbrokers.

The existing or future ship managers may cease to provide such ship management services to the Group. In the event of termination of or changes to the current arrangements with the ship manager, the Group will need to find alternative suitably qualified ship manager or ship management services in a timely manner, and as the Group may not have sufficient resources, experience and expertise to handle all the relevant operational activities of its vessels on its own, failure to properly monitor the change of ship manager and the related transitional arrangements could negatively affect the Group's business operations and financial results.

There is no assurance that the existing or future ship managers will always be able to meet the Group's requirements. If they are unable to manage any of the vessels properly and meet the Group's requirements, the daily operation of the vessels may be adversely affected, and there is also no assurance that the vessels can comply with the applicable laws, regulations, international conventions, treaties and other rules and regulations imposed by classification society, and the Group's business and results of operations can be materially and adversely affected.

Further, as the Group relies on shipbrokers to identify and introduce potential charterers to the Group and as a source of counterparty information to assess counterparty risks when choosing its customers to a certain extent, there is no assurance that the charterers introduced by the shipbrokers are of good credit or trading record, or that the counterparty information provided by the shipbrokers are accurate and up-to-date, and the charterers introduced by the shipbrokers may breach or repudiate the charter agreements. In the event that any of charterers introduced to the Group by the shipbrokers default on or repudiate the charter agreements with the Group, or otherwise fail to fully and timely pay charter hire to the Group and perform its obligations and bears its liabilities under the charter agreements, the Group's business and results of operations may be materially and adversely affected.

The Group has a high level of indebtedness and a net current liabilities position that may adversely affect its liquidity and profitability

As at 31 March 2010, the Group had total outstanding indebtedness (including bank loans and amounts due to Directors) of about US$60.1 million, representing a gearing ratio of about 44.0% (calculated by dividing total outstanding indebtedness by total assets). On the other hand, as at 31 March 2008, 2009 and 2010, the Group had net current liabilities positions of about US$57.5 million, US$38.4 million and US$22.8 million, respectively. Among the outstanding indebtedness as of 31 March 2010, an aggregate amount of about US$13.6 million was due to Mr. Yan and Ms. Lam, which amounted to about US$14.9 million as at 31 July 2010, such amount had been fully settled as to about US$1.3 million by repayment by the Group and as to about US$13.6 million by way of capitalisation. The Group's ability to repay its borrowings and other trade payables as they fall due depends heavily upon its future operating performance, cash flow, and the results of the Share Offer. Among other source of income and operating cash flow of the Group, the charter hire income in respect of each of the vessels held by them, namely GH FORTUNE, GH RESOURCES and GH POWER, are also subject to general assignments in favour of the banks pursuant to which a portion of such charter hire incomes shall be first retained by the banks for repayment of the principals and interests payable under these bank loans and for maintaining certain minimum amount of deposits with the banks as security, and may only release the balance of such charter hire income to the Group if there has not been any event of default at that time. Any reduction in the Group's operating cash flows or decline in the future operating performance may impair the Group's liquidity and its ability to service its debts and other payables. The Group's working capital for the purpose of its operations can be constrained, which could have an adverse impact on the Group's business operations. The Group may need to divert its cash flow from its expansion plans or to raise funds by way of equity or debt financing, in which cases the Group's expansion plans and its financial position can be adversely affected.

Fluctuations in interest rates could adversely affect the Group's results

All of the bank borrowings of the Group in effect as at the Latest Practicable Date bear interest at variable rates, and the Group had not used any interest rate swaps in order to mitigate its exposure associated with the interest rate fluctuations risk. For each of the years ended 31 March 2008, 2009 and 2010, the Group's finance costs amounted to about US$3.5 million, US$3.6 million and US$1.4 million, respectively. Any increase in the interest rates could cause the Company's finance costs to increase, which could adversely affect the results of the Group. For illustration purposes only, if the applicable interest rates for each of the years ended 31 March 2008, 2009 and 2010 had been 1% higher or lower and all other variables had been held constant, the Group's profit for the year ended 31 March 2008, 2009 and 2010 would have been decreased or (as the case may be) increased by US$1,040,000, US$712,000 and US$469,000, respectively.

It is the present intention of the Directors to finance the expansion of the fleet size of the Group out of the net proceeds of the New Issue, the Group's cash flows generated from its operating activities and/or external financings in the future. Any fluctuation in the interest rates for such external bank financings may increase the Group's finance costs and may thereby adversely affect the profitability of the Group. There is also no assurance that the Group will be able to obtain such external bank financings at competitive interest rates to facilitate the implementation of its fleet expansion plan in the future. If the implementation of the Group's fleet expansion plan is constrained by the increase in interest rates and the finance costs, the Group's competitiveness and its results of operations can be adversely affected.

Failure to obtain sufficient funds may affect the Group's expansion needs

The Group's business is capital intensive and it depends on cash generated from its operations as well as access to external financing to operate and expand its business. One of the principal items for cashflow of the Group in the year ending 31 March 2011, being the bank borrowings repayable by the Group during the year ending 31 March 2011, is expected to amount to about US$12.3 million (without taking into account any new bank borrowings that the Group may obtain after the Latest Practicable Date for financing acquisitions of new vessel(s), working capital or other purposes). The Group's future funding requirements will depend, to a large extent, on its working capital requirements and the nature of its capital expenditures, its business performance, market conditions and other factors which are beyond the control of the Group. The tightening of credit which resulted from the recent economic downturn may increase the interest costs on the Group's bank borrowings and create difficulties for the Group to refinance the existing bank borrowings or to obtain additional funding for the Group's operations and/or implementation of its expansion plans.

The existing financing agreements contain certain financial and operational covenants. One of the covenants provides that a decline in the market value of the vessels being mortgaged, together with the value of the other security provided by the Group, fall below a specified percentage of the then outstanding loan, the Group shall be required to provide the bank with additional security acceptable to the bank or prepay certain amount of the outstanding loans. Other covenants limit the Group's flexibility in, among other matters, incurring additional debts, disposal of assets, change of shareholding or management, and payment of dividends. Some of the Group's debts are secured by the first ship mortgages over GH FORTUNE, GH RESOURCES and GH POWER. These ship mortgage and the financial covenants under these financing agreements also limit the Group's ability to obtain other financing. Failure to comply with these covenants or to meet or repay the debts when due may trigger the acceleration of maturity of these loans and the foreclosure of collateral securing the loans, including but not limited to all or any of the Group's vessels, which would consequently adversely affect the Group's business, financial condition and results of operations.

The Directors intend to expand its fleet size by acquiring secondhand vessels. The Directors presently intend to fund the future capital expenditures for acquiring additional vessels from the net proceeds of the New Issue, the Group's cash flows generated from its operating activities and/or from external sources of financing. If the Group is unable to generate sufficient cash flows or obtain sufficient external financings on attractive terms to meet its expansion needs, the Group may not be able to achieve its expansion plans, which in turn may adversely impact the Group's competitiveness and, therefore, its results of operations.

The Group may face counterparty risks

As the Group operates in a highly fragmented market, the Group's customer base is diverse. During the Track Record Period, the Group's vessels had been chartered out through ship brokers, who identify and introduce potential charterers to the Group for its selection. The Group tends to select customers which are reputable with good credit records and can offer favourable charter hire rate, and with business relationship with the customers in the past. As there may be limited financial information about the Group's potential customers available in the market, if the Group does not have any past business relationship with such potential customers or otherwise fails to obtain all necessary background information for assessment of the creditworthiness of such potential customers, the Group may have to rely on their reputation in the market in assessing the counterparty risk. There is no assurance that such assessment is correct or these customers can fulfill their obligations under the relevant charter contracts. If a customer defaults, apart from non-payment of charter hire, the Group may need to incur additional costs in handling any cargo which are on board the vessels at the time of default, and may also incur costs on port expenses and stevedoring costs, and the Group's financial condition could be materially adversely affected.

Most of the Group's revenue during the Track Record Period was derived from a few customers

During the Track Record Period, most of the Group's revenue was derived from a few customers. For each of the three years ended 31 March 2010, about 77.3%, 84.0% and 53.5% of the Group's total revenue respectively was derived from two charterers.

While charterers are required to pay the charter hire on a per day basis 15 days in advance on a rolling basis, in the event that any key customers of the Group, which may contribute a substantial portion of the Group's revenue, default in payment of charter hire to the Group or otherwise default in performance of the relevant time charter agreement, the Group may need to incur time and costs in recovering the losses and damages from the charterer in default, handling the cargo on board the vessels at the time of default, and identifying suitable alternate charterers and redelivering the vessels to the new charterer. The Group may also suffer from loss of revenue arising from the resultant off-hire period and any decrease in charter hire rate under the charter agreement with alternate charterers. As a result, the revenue, operating results and financial conditions of the Group may be materially and adversely affected.

The Group's insurance coverage may not be sufficient to cover the risks related to its operations and losses

The seaborne operation of vessels carries certain inherent risks, including marine accidents, oil spills or other pollution incidents, cargo and property losses or damages, grounding, fire, explosions, collisions, as well as business interruptions caused by mechanical failure, labour strikes, human errors, adverse weather conditions and piracy. Any such risks, if materialises, can result in loss of revenue or increase in costs.

The Group has arranged insurance against some of these risks. Further details of the Group's insurance are set out in the section headed "Business — Insurance" in this prospectus. There is no assurance that all the potential risks are covered or otherwise adequately insured against, that any particular claim will be paid or that the Group will be able to procure adequate insurance coverage of any of these risks at commercially reasonable rates in the future. The Group's insurance policies do not cover risks arising from damages caused by wear and tear, or act of gross misconduct of the master or the crew of the Group's vessel. The Group has not obtained insurance coverage in respect of loss of revenue due to delay or detention caused by political unrest, labour strikes, arrest, crew desertion, crew illness, infectious diseases, stowaways, drug seizure, inability to load or discharge cargo, all of which are considered as trading risks. Imposition of stricter environmental laws and regulations may also result in increased costs for, or the unavailability of, insurance against the risks of environmental damage or pollution.

The Group's insurance policies contain certain standard deductibles, limitations and exclusions, including limitation and exclusions with respect to certain losses arising from acts of war, terrorism, malicious acts, nuclear forces and wilful misconduct or fraud. In addition, in the event that claims are asserted against the Group, its vessels could be subject to arrest or other judicial process.

The Group is a member of SKULD. SKULD is a mutual insurance association which provides cover for its ship owner and charterer members against third party liabilities relating to the use and operation of ships. The protection and indemnity insurance provided by SKULD for ship owners implies that should SKULD face special circumstances with unexpected loss, the Group, as a ship owner member of SKULD with the protection and indemnity insurance cover, may be exposed to premium obligations beyond the agreed total call. There is a risk that SKULD to which the Group belongs will call for additional funding from its members and such funding calls may have a material adverse effect on the financial position or results of operations of the Group.

Reliance on key management personnel may impose risks on the Group

The Group's performance and success is, to a significant extent, attributable to the vision and leadership of its founders, Mr. Yan and Ms. Lam, and the contribution of Mr. Cao Jiancheng, one of the executive Directors, and a member of the senior management team. The future success of the Group will depend on the continued involvement, efforts, performance and abilities of the Directors and senior management team of the Group as a whole. Competition for senior management and key personnel, in particular, qualified, skillful and experienced practitioners in the marine transportation industry, is intense and the pool of experienced candidates is limited. There is no assurance that the Group can maintain, develop and continually tap on the experience and skills of its key personnel, and the Group may lose its key personnel to competitors. If the Group fails to retain its key personnel or attract and engage a suitable replacement on a timely basis, it may result in the loss of strategic leadership, disruption or delay to business operation, which may materially adversely affect alternative business strategies, the business, operations and financial condition of the Group.

The Group's profitability may continue to decline for the year ending 31 March 2011, and may not be sustainable in the future

For each of the years ended 31 March 2008, 2009 and 2010, the Group's gross profit margin was about 48.4%, 54.5% and 49.4%, respectively. As the Group's profitability is dependent upon, among other factors, levels of demand and supply of shipping capacity, global and regional economic and market conditions, level of international and regional trade, market competition, and volatility of operational and compliance costs, there is no assurance that the Group can maintain its profitability as that achieved during the Track Record Period.

During the four months ended 31 July 2010, based on the then prevailing charter agreements in respect of the Group's vessels, while the average Daily TCE for the Group's three panamax dry bulk vessels, which were then under short term time charters (except for GREAT HARVEST which is currently subject to long term time charter ancillary to a finance lease arrangement as more particularly described in the section headed "Business — Business of the Group — Fleet composition" in this prospectus), was about US$24,026, representing a slight increase/(decrease) of about 9.2%, (3.4%) and 12.8%, respectively, as compared with the respective average Daily TCE of these vessels for each of the years ended 31 March 2010, 31 March 2009 and 31 March 2008 of about US$22,003, US$24,865 and

US$21,305, the average Daily TCE for the Group's capesize dry bulk vessel, GH RESOURCES, during the four months ended 31 July 2010 dropped significantly to about US$27,672, representing a decrease of about 50.9% as compared with the average Daily TCE for the year ended 31 March 2010 of about US$56,302. As GH RESOURCES has been the Group's principal contributor to its revenue, contributed about 43.1% of the Group's total revenue for the year ended 31 March 2010, such decrease is expected to have significant adverse impact on the Group's results for the year ending 31 March 2011.

The world's hire rate for marine transportation services is also under pressure during the period. The world's one-year time charter daily rate for capesize and panamax dry bulk vessels averaging from about US$107,000 and US$52,000 in the year 2007, respectively, and about US$112,000 and US$56,000 in the year 2008, respectively, dropped to about US$33,000 and US$18,000 in the year 2009, respectively, and about US$34,250 and US$25,250 in June 2010.

Given the total capacity of dry bulk vessels ordered but yet to be delivered as at 1 March 2010 amounted to about 286.4 million dwt, representing about 62.3% of the world dry bulk vessel capacity as at 31 December 2009, while the global economy has continued to suffer a prolonged recession and downturn, resulting in a decrease in demand for marine transportation services, the Group's as well as the international hire rate for marine transportation services may continue to be subject to pressure, and there is no assurance that the hire rate for marine transportation services can rebound to its peak during the years 2007 and 2008. If the global economy and the international and regional trade continue to slowdown, or the demand for marine transportation services continue to decline for whatever reasons, or the demand fails to match the expected increase in the marine transportation capacity, the profitability of the Group may continue to decline in the near future.

Commission income of the Group's shipping department may be subject to Hong Kong profits tax

The entire revenue of the Group during the Track Record Period had been generated by the Operating Subsidiaries through provisions of worldwide marine transportation services by them and were not originated in Hong Kong, while Million Miles, which had been handling the administrative works for the operation and commercial activities of the Group (including the chartering process) as ship owner's agent for a commission that may give rise to assessable profit arising in or derived from Hong Kong, was not a member of the Group. On that basis, the Group's income during the Track Record Period had not been subject to Hong Kong profits tax.

Nevertheless, following the Reorganisation, the Group established its own shipping department through Union Apex to assume the role of the Group's ship owner's agent and has been handling the said administrative works for the Group for a commission. Details of such arrangement are set out in the section headed "Business — Business of the Group — Chartering process" of this prospectus. As the principal place of operation of Union Apex is located in Hong Kong, such arrangement will expose Union Apex (but not any of the Operating Subsidiaries) to Hong Kong profits tax for any taxable profits, and may thereby affect the Group's profitability in the future.

Income derived from the Group's worldwide operations may be subject to taxation of local jurisdictions

The Group is principally engaged in worldwide marine transportation services and the Group's vessels are hired out under time charters. Subject to the shipping requirements and sailing schedule of the charterers under the relevant time charters, the Group's vessels may need to travel to different ports and jurisdictions over the world. Under the time charter agreements entered into by the Group with its charterers during the Track Record Period, the Group is generally responsible for any applicable income tax and taxes on time charter hire levied in Hong Kong or the BVI (where the registered ship owners of the Group's domicile is located), as well as all duties, charges and taxes on crews and/or stores, while all taxes on cargo or voyage freights shall be borne by the charterers. However, the tax regime of each jurisdiction to which the Group's vessels travel may differ from that of Hong Kong or other jurisdictions the investors may locate. It is possible that any local tax laws and regulations of any particular jurisdiction or port in the world, to which the Group's vessels may from time to time travel, may impose any income tax, profits tax, withholding tax or other special taxes or levies on the Group's income derived from the relevant vessels, and there is no assurance that the Group may have the right to claim against the relevant charterers or sub-charterers for reimbursement of such taxes or levies. If such risk materialises, the Group's profitability may be adversely affected.

Depreciation expenses in respect of the Group's vessels may significantly affect the Group's profitability

Depreciation is charged so as to write off the costs of the Group's vessels over their remaining estimated useful lives from the date of their acquisition with the initial estimated useful life of 25 years, after allowing for residual values estimated by the Directors, using the straight-line method. Each vessel's residual value is equal to the product of its lightweight tonnage and estimated scrap rate. For each of the years ended 31 March 2008, 2009 and 2010, the Group's depreciation expenses, being fixed costs, amounted to about US$9,750,000, US$12,629,000 and US$11,015,000 respectively, represented about 54.6%, 53.2% and 52.1% of the Group's cost of services and the largest portion of the cost of services for each of the years ended 31 March 2008, 2009 and 2010 respectively.

It is one of the Group's business strategies to expand and optimize its fleet structure by acquisition of secondhand vessels to meet demands for the Group's services. Any such further acquisition will increase the Group's depreciation expenses, especially in respect of younger and larger vessels with relatively higher acquisition costs. If the Group's revenue in the future declines for whatever reasons, whether due to market volatility or decline in the world's hire rate for marine transportation services or any other causes, the Group's revenue may not be sufficient to offset the Group's depreciation expenses, and the Group's profitability may be materially and adversely affected.

The Group may face risks associated with acquisition of second-hand vessels

To expand and optimise the Group's fleet structure, the Group intends to acquire secondhand vessels instead of commissioning of the construction of newbuildings. Secondhand vessels may have latent defects that the Group may not be identified by the Group at the time of acquisition, and the Group may not have the same level of knowledge about the quality or conditions of the vessel that the Group would have in respect of vessels to be newly constructed for the Group. There is no assurance that the secondhand vessels to be acquired by the Group will meet the Group's requirements, and any defects of the vessels may result in significant repair costs and expenses or even disruption to the operations of the Group.

Major litigation may affect the Group's business

The Group is exposed to risk of being involved in major legal proceedings as the shipping business carries the inherent risks of marine accidents, which could involve loss or damage of property or even death or injury to persons.

During the Track Record Period, one of the Group's vessels, GH FORTUNE, was involved in a collision which resulted in injury of a number of individuals and damages to various barges, and one seafarer died and another was missing during the incident. Please refer to the section headed "Business — Legal proceedings" of this prospectus for further information in connection with the incident, the legal disputes and the settlement thereof among the relevant parties. As advised by the Company's PRC legal advisers, the Group may be subject to possible administrative action by the relevant authorities, including the issuing of a warning statement to the owner of the vessel, GH FORTUNE, and imposition of an administrative fine on the Group which in practice is no more than RMB100,000, in connection with the breach of the Law of Traffic Safety at Sea of the PRC arising from the accident.

Notwithstanding that the legal disputes above have been settled among the parties, if the Group fails in defending any other legal proceedings from time to time involved, or fails in settling such other legal proceedings on commercially reasonable terms, and the damages which the Group may be found liable to pay in respect of such other legal proceedings are not covered by the insurance policy or otherwise not paid by the insurers for whatever reasons, the Group's business and results of operations could be materially and adversely affected. The management's time and efforts could be diverted from the operation of the Group's business in order to pursue or defend the legal proceedings which the Group is involved. The insurers may also increase the insurance premium payable by the Group which may adversely affect the results of the Group.

The interests of the Controlling Shareholders may differ from those of the other Shareholders

The Controlling Shareholders will control the exercise of 75% voting rights in the general meeting of the Company immediately after the Share Offer and the Capitalisation Issue (assuming that the Over-allotment Option is not exercised). In light of the foregoing, the Controlling Shareholders could exercise significant influence in determining the outcome of any corporate transaction or other matters submitted to the Shareholders for approval, including mergers, consolidations and the sale of all, or substantially all, of the assets, election of directors, and other significant corporate actions.

The interests of the Controlling Shareholders may differ from the interests of the other Shareholders. If the interests of the Controlling Shareholders conflict with the interests of the other Shareholders, or if the Controlling Shareholders choose to cause the Group to pursue strategic objectives that conflict with the interests of the other Shareholders, those Shareholders could be disadvantaged by the actions of the Controlling Shareholders.

RISKS RELATING TO THE INDUSTRY

Global or regional economic, political or other factors may affect the Group's business

The business of the Group depends substantially on the global and regional economic and market conditions, and level of international and regional trade. Slowing economic growth or a recession could adversely affect the demand for import and export, and could thereby lead to a decline in the demand of the Group's services or otherwise lower the Group's rates of charter hires. International trade or political disputes and trade protectionism, which may result in imposition of trade barriers or restrictions, sanctions, boycotts or embargoes, and other factors such as acts of war, hostilities, epidemics or terrorism, could also adversely affect the international or regional trade volume and, in turn, could have a material adverse effect on the business, financial condition and results of operations as well as affecting the Group's future expansion strategies.

Certain recent adverse financial developments have impacted the global financial markets. These developments include a general economic slowdown both in the US, Europe and globally and a drop in consumer expenditure in general, volatility and tightening of liquidity in credit markets. Economic downturn has also affected the international and regional trade volume and therefore demand of the Group's services. It is difficult to predict how long these conditions will exist and which markets and businesses of the Group may be affected. These developments could continue to present risks for an extended period of time for the Group, including a potential decline in the marine transportation volume and/or charter hire rates. If this economic downturn continues, the business, financial condition and results of operations of the Group may be adversely affected.

The cyclical nature of the marine transportation industry may have an adverse effect on the Group's business

The marine transportation industry has been subject to cyclical fluctuations, volatility in profitability, revenue and vessel values due to changes in the demand and supply of marine transportation capacity. The demand for marine transportation services is influenced by global and regional economic conditions, fluctuation in the levels of international and regional trade, change in seaborne and other transportation patterns, fluctuation in foreign exchange rates and other factors. Demand for transportation of dry bulk cargoes, being the service in which the Group is specialised, may also be affected by the demand and supply for the relevant commodities that the Group transports (such as coal, iron ore and grain), their prices, competitions and availability of alternative sources of supply of these commodities, seasonal cycle for agricultural products and seasonality of demands for fossil fuel such as coal, and other factors relating to these commodities. As such, changes in the demand of marine transportation services are difficult to predict. On the other hand, the supply of marine transportation capacity is a function of the number and size of vessels in the world fleet, their deployment, the delivery of new vessels and the retirement, conversion to other uses and loss of older vessels, and other factors.

Decreases in demand and/or increases in marine transportation capacity are affected by factors which are beyond the Group's control and are of unpredictable nature. If demand fails to match the increased marine transportation capacity or should there be any decease in demand for marine transportation services, it could have significant negative impact on the demand of the Group's services and/or the rates of charter hires, and may thereby materially and adversely affect the business, profitability and financial conditions of the Group.

The Group operates in a highly competitive industry

The marine transportation industry is highly competitive. Although the industry is capital intensive, investments in vessels can be financed by commercial banks against ship mortgages. There is a comprehensive network of supporting services in the market so that new investors may sub-contract most of the business functions and operations of the vessels to these service providers, such as ship management companies, chartering brokers, classification societies and shipping agencies. These financing and other supporting services make it easier for newcomers to enter into the industry, and for existing players to expand their marine transportation capacities. Ship owner competes based on, among others, charter hire, charter terms, quality of the vessels and customer services, vessel availability, service reliability, inland operations, port coverage, value added services and other customer requirements.

The Group faces strong competitions in the international and regional markets, and the Directors expect that the current competitive pressures in the industry will continue. There is no assurance that the Group will be able to compete with existing and new marine transportation companies in terms of charter hire rates, vessels and ancillary services offered, port coverage, financial resources and/or other market penetration power. Extensive competition in the industry may adversely affect the Group's market share. If competitive pressure intensifies, it may force the Group to reduce its charter hire rates, which could adversely affect the Group's business, financial condition and operating results.

The Group operates in a highly regulated industry and significant compliance costs and efforts may adversely affect the Group's business and profitability

The marine transportation industry is highly regulated. The Group's operations are subject to compliance of extensive international conventions, treaties, international and local laws and regulations in force from time to time in the countries and ports where the Group's vessels visit, and also the applicable laws in Hong Kong, being the jurisdiction in which the Group's vessels are registered. The Group's operations are also subject to international conventions and regulations adopted by the IMO, including the ISM Code, the SOLAS Convention and the International Convention for the Prevention of Pollution from Ships. In addition, the vessels are also subject to compliance of the rules and regulations of the relevant recognised classification societies by which the vessels were classified. In order to maintain their classification status, they are subject to regular and ad-hoc surveys by qualified surveyors designated by the relevant classification societies to ensure their continuing compliance of these rules and regulations. The classification status is essential for the operations of the Group as most insurances of the Group are underwritten conditional upon such classification status. Please refer to the section headed "Regulatory overview" in this prospectus for an overview of the regulatory environment in which the Group operates.

Failure to comply with the applicable international conventions, treaties, international and local laws and regulations may subject the Group to increased liability, decreased insurance coverage for the affected vessels, and may result in denial of access to, or detention in, certain ports. The Group may need to incur additional and substantial costs and efforts in meeting the requirements under these conventions, treaties, codes, laws and regulations from time to time in force, including costs and efforts in obtaining the requisite permits and licenses, changes of operational procedures or even ship modifications. There is also no assurance that the Group will be able to comply with these requirements, or to efficiently control the costs involved, in the future. Failure to comply with these requirements or to control the costs involve may have an adverse effect on the business operation, financial condition and results of the Group.

Any future development of international conventions, treaties, codes, international or regional laws and regulations may increase the Group's compliance costs and efforts, and may result in temporary suspension of operations of the affected vessels pending compliance with the new requirements, which could have material adverse effect on the Group's business and profitability.

An increase in bunker prices may reduce the Group's profitability

Costs of bunker are generally borne by charterers under time charters, whereas such costs are generally borne by ship owner under voyage charters. The cost of bunker can be influenced by various economic and/or political factors which are beyond the Group's control. An increase in the price of bunker may affect the costs of international and regional trade and thereby may lead to a decline in demand of the Group's services. Such fluctuation of bunker cost may also affect the vessels' operational costs during their off-hires. If the Group shall provide its marine transportation services on voyage charter basis and it fails to shift the increased costs by increasing its charter hire rates timely and to the corresponding extent, the Group's profitability could be adversely affected.

There are operational risks inherent to the marine transportation industry, such as pirates attacks, that may adversely affect the Group's operations and business

The seaborne operation of vessels carries certain inherent risks, including marine accidents, oil spills or other pollution incidents, cargo and property losses or damages, grounding, fire, explosions, collisions, as well as business interruptions caused by mechanical failure, labour strikes, human errors, adverse weather conditions and piracy.

During the Track Record Period, one of the Group's vessels, GH FORTUNE, was involved in a collision which resulted in injury of a number of individuals and damage to various barges, and one seafarer died and another was missing during the incident. Please refer to the section headed "Business — Legal proceedings" of this prospectus for further information in connection with the legal proceedings. If any of these risks materialises, it may result in death or injury to persons, loss or damage of property, environmental pollution or damage, delays of the freight, breach or termination of charter contracts, imposition of fines or penalties, arrests or detention of vessels, increase in insurance costs and/or disputes with customers, which may adversely affect the business operations and results of the Group.

The seaborne operation of vessels for marine transportation industry is vulnerable to pirates attacks and certain recent adverse global financial developments may have aggravated the piracy problems worldwide, particularly in the East African Coast region and near the Somali area which had repeatedly reported on piracy incidents recently. Due to the Group's business nature, it is inevitably exposed to the risks of possible pirates attacks to its vessels over their course of sails worldwide.

There is no assurance that the policies and procedures adopted and implemented by the Group will prevent all of the Group's vessels from pirates attacks in the future. If any of the Group's vessels is being attacked, captured or hijacked by pirates in the future, which may involve loss or damage to the Group's property (or loss of its vessels altogether in the event that the Group's vessels are destroyed or taken away by the pirates) or even deaths or injuries to persons, the Group's business and results of operations could be materially and adversely affected.

Labour unrest could disrupt the Group's business

The Group's operations at ports are dependent on the shipping agencies, stevedores and other external labour at the relevant ports to carry out the import, loading, unloading and other operations thereat. Industrial action or other labour unrest with respect to such external labour could prevent or hinder the Group's normal operating activities at ports and, if not resolved in a timely manner, may have an adverse effect on the business operations of the Group.

Government requisitions during periods of emergency or war may disrupt the Group's business

Vessels may be requisitioned or seized by governments for use during wartime or other emergency situations. Vessels owners, however, may not be able to receive any compensation from the government, or may be hired at the charter hire rates which are below the then prevailing market rates. Requisitions by government could thereby adversely affect the Group's business and results of operations.

The business of the Group may be affected by outbreaks and recurrence of epidemics, natural disasters, acts of war, terrorist acts, piracy, political unrest and other events which are beyond the control of the Group

Certain countries have experienced epidemics such as the severe acute respiratory syndrome, avian influenza and natural disasters such as fire, floods, droughts, blizzards and earthquakes, which have had an adverse impact on the economies of the affected countries.

Where there is an outbreak or a recurrence of epidemics or natural disaster, acts of war, terrorist acts, piracy, political unrest and other events which are beyond the Group's control in any country in which the Group's vessels operate, this could result in a decline in the demand of the Group's marine transportation services resulting from the consequential decrease in the volume of international or regional trade, which could in turn adversely affect the Group's operations and profitability. Outbreak of epidemics may also result in disruption to the Group's business if the local health or governmental authorities impose quarantine or other inspection measures on the Group's vessels, or impose restrictions against import or export of cargo from or to the affected countries.

Vessels can also be targets of terrorist attacks and piracy. Any further terrorist attacks or piracy on merchant vessels may result in increase of insurance premium and security costs and inability to transport cargo to and from the affected countries or areas.

The Group's vessels could be arrested by maritime claimants, which could adversely affect the business and results of the Group

Crew members, suppliers of goods and services to a vessel, shippers of cargo and other parties may be entitled to enforce its unsatisfied debts, claims or damages by seeking court orders from the relevant jurisdictions to either arrest or attach the vessel. Ship owner may need to pay a substantial amount of money or provide other security in order to have the arrest of or attachment to their vessels lifted. They may also suffer loss of revenue during the off-hire period as a result of such detention of the vessels. During the Track Record Period, the Group's vessel, GH FORTUNE was subject to an attachment by an order of New Orleans Court in December 2008 arising from commercial disputes not involving any member of the Group, pursuant to which GH FORTUNE was restricted in the New Orleans area for 16 days.

The Directors understand that the commercial disputes involved the repudiation of a series of charter agreements for the chartering of a vessel (the "Subject Vessel") owned by an Independent Third Party. By such series of charter agreements, Million Miles Shipping Limited ("Million Miles (BVI)"), which was ultimately wholly-owned by Mr. Yan and Ms. Lam at the time, chartered the Subject Vessel to another Independent Third Party and the obligations of Million Miles (BVI) under the relevant charter agreement were guaranteed by Great Harvest (Holdings) Limited, another company ultimately owned by Mr. Yan and Ms. Lam. As the charterers under the above series of charter agreements purported to redeliver the Subject Vessel to the disponent owners of the Subject Vessel in breach of the relevant charter agreement, the disponent owners of the Subject Vessel claimed damages for repudiations under the respective charter agreements. The ultimate disponent owner of the Subject Vessel claimed damages against, inter alia, Million Miles (BVI) and Great Harvest

(Holdings) Limited and had commenced arbitrations against Million Miles (BVI) and Great Harvest (Holdings) Limited accordingly. By way of obtaining security for its claim in the above arbitrations, the ultimate disponent owner of the Subject Vessel commenced legal proceedings in New Orleans, the US which resulted in the attachment order against GH FORTUNE by the New Orleans Court.

Such attachment was dismissed eventually but resulted in a loss of revenue of about US$130,000 and bunker cost of about US$16,000 during an off-hire period of about seven days, and the legal costs and expenses and bank charges for lifting the attachment of about US$300,000. While the Group may theoretically claim against the applicant for the attachment order against GH FORTUNE for the above losses and costs, the Directors understand that the applicant had already filed a winding up application and therefore the Directors are of the view that it is unlikely that the Group can recover such losses and costs from the applicant. To avoid incurring additional and unnecessary legal costs and management time, the Group had not claimed against the applicant for such losses and costs. Moreover, the Group's vessel, GH FORTUNE had also been arrested and detained by Wuhan Maritime Court of the PRC for about three days as a result of a maritime accident in December 2009. In order to lift the ship arrest order, the Group had provided guarantees from a ship owner's mutual assurance association and an insurer of GH FORTUNE in favour of the relevant parties up to a maximum liability of RMB1.7 million and RMB8 million, respectively, and had suffered a loss of revenue of about US$0.1 million plus bunker charges of about US$9,600, and an estimated maximum aggregate sum of US$195,000 being policy deductibles under the relevant insurance policies covering the settlement amounts for the maritime accident in December 2009. Please refer to the section headed "Business — Legal proceedings" for further details of the legal proceedings in respect of the maritime accident in which the Group was engaged as at the Latest Practicable Date.

If any of the Group's vessels is detained for any reason, the Group's business, financial conditions and results of operations may be materially and adversely affected.

RISKS RELATING TO THE SHARE OFFER

There has been no prior market for the Shares

Prior to the Share Offer, there has been no public market for the Shares. There is no guarantee that a liquid public market for the Shares will develop or be sustained upon completion of the Share Offer. In addition, the initial Offer Price has been determined by negotiations between the Lead Manager (on behalf of the Underwriters) and the Company, and may not be indicative of the market price of the Shares that will prevail in the trading market and such market prices may be volatile.

If an active public market for the Shares does not develop after the Share Offer, the market price and liquidity of the Shares may be adversely affected. Investors may not be able to sell their Shares at or above the final Offer Price. The stock market of Hong Kong generally has experienced increasing price and volume fluctuations, some of which have been unrelated or have not corresponded to the operating performances of such companies in recent years. Volatility in the price of the Shares may be caused by factors outside the Company's control and may be unrelated or disproportionate to the Group's operating results.

Future sales or perceived sales of substantial amounts of the Shares in the public market could have a material adverse effect on the prevailing market price of the Shares

Immediately after completion of the Share Offer and the Capitalisation Issue and taking no account of any Shares which may be issued pursuant to the exercise of the Over-allotment Option, the Company will have 800,000,000 Shares in issue, of which 200,000,000 Shares will be held by investors participating in the Share Offer, representing 25% of the entire enlarged issued share capital of the Company, and an aggregate of 600,000,000 Shares will be held by the Controlling Shareholders, representing 75% of the entire enlarged issued share capital of the Company. The Offer Shares issued under the Share Offer will be eligible for immediate resale in the public market in Hong Kong upon the Listing. On the other hand, all the Controlling Shareholders have given undertakings not to dispose of their Shares prior to the expiry of a six-month period from the Listing Date.

The Company cannot guarantee that all the Controlling Shareholders will not dispose of any Shares upon the expiry of such period. In the event that the Controlling Shareholders sell a substantial number of the Shares in the market, or where there is a perception that such sales may occur, there could be a substantial adverse effect on the prevailing market price of the Shares.

Investors may experience difficulties in effecting service of legal process and enforcing judgments against the Company and its management

The Company is a company incorporated in the Cayman Islands under the Companies Law with limited liability and the Companies Law differs in some respects from those of Hong Kong or other jurisdictions where investors may be located. As a result, the remedies available to the minority Shareholders may be different from those they would have under the laws of Hong Kong or other jurisdictions.

The Company's corporate affairs are governed by its memorandum of association and the Articles of Association, the Companies Law and the common law of the Cayman Islands. The rights of the Shareholders to take legal action against the Directors and the Company, actions by minority Shareholders and the fiduciary responsibilities of the Directors to the Company under the Cayman Islands law are to a large extent governed by the common law of the Cayman Islands. The common law of the Cayman Islands is derived in part from comparatively limited judicial precedent in the Cayman Islands as well as from English common law, which has persuasive, but not binding, authority on a court in the Cayman Islands. The rights of the Shareholders and the fiduciary responsibilities of the Directors under the Cayman Islands law may not be as clearly established as they would be under statutes or judicial precedents in Hong Kong or other jurisdictions where investors may be located. In particular, the Cayman Islands have a less developed body of securities laws.

In addition, although the Company will be subject to the Listing Rules and the Hong Kong Codes on Takeovers and Mergers and Share Repurchases upon the listing of the Shares on the Stock Exchange, the Shareholders will not be able to bring actions on the basis of violations of the Listing Rules and must rely on the Stock Exchange to enforce its rules.

Furthermore, the Hong Kong Codes on Takeovers and Mergers and Share Repurchases do not have the force of law and only provide standards of commercial conduct acceptable for takeover and merger transactions and share repurchases in Hong Kong.

As a result of any or all of the above, the Shareholders may have more difficulty in protecting their interests in the face of actions taken by the Company's management, directors or major shareholders than they would as shareholders of a Hong Kong company or companies incorporated in other jurisdictions.

For further information on the constitution of the Company and Companies Law, see "Summary of the constitution of the Company and the Cayman Islands company law" set out in Appendix IV to this prospectus.

Certain facts, forecast and other statistics with respect to the marine transportation industry contained in this prospectus may not be reliable

Certain facts and other statistics in this prospectus relating to the marine transportation industry have been derived from various organisations that are generally believed to be reliable. However, the Directors cannot guarantee the quality or reliability of such source materials. While the Directors have taken reasonable care in the reproduction of the information, they have not been prepared or independently verified by the Company, the Selling Shareholder, the Sole Sponsor, the Lead Manager, the Underwriters or any of the or their respective affiliates or advisers and, therefore, the Company makes no representation as to the accuracy of such facts and statistics. Such facts and other statistics include the facts and statistics as currently set out in the sections headed "Risk Factors", "Industry Overview" and "Business" of this prospectus. Due to possibly flawed or ineffective collection methods or discrepancies between published information and market practice and other problems, the statistics herein may be inaccurate or may not be comparable to official statistics produced for other economies and you should not place undue reliance on them.

Further, the Company cannot assure you that they are stated or compiled on the same basis or with the same degree of accuracy as similar statistics presented elsewhere. In all cases, you should consider carefully how much weight or importance you should attach to or place on such facts or statistics.

Forward-looking statements contained in this prospectus are subject to risks and uncertainties

This prospectus contains certain statements that are "forward-looking" and indicated by the use of forward-looking terminology such as "believe", "intend", "anticipate", "estimate", "plan", "potential", "will", "would", "may", "should", "expect", "seek" or similar terms. Prospective investors are cautioned that reliance on any forward-looking statement involves risk and uncertainties and that, although the Directors believe the assumptions related to those forward-looking statements are reasonable, any or all of those assumptions could prove to be inaccurate and as a result, the forward-looking statements based on those assumptions could also be incorrect. The risks and uncertainties in this regard consist of those identified in the risk factors discussed above. In light of these and other risks and uncertainties, the enclosure of forward-looking statements in this prospectus should not be regarded as representations by the Company that the plans and objectives will be achieved, and investors should not place undue reliance on such statements.

The Company strongly cautions you not to place any reliance on any information contained in press articles or media regarding the Group or the Share Offer

There may be press and media coverage regarding the Group or the Share Offer, which may include certain financial information, financial projections and other information about the Group that do not appear in this prospectus. The Company has not authorised the disclosure of any such information in the press or media. The Company does not accept any responsibility for any such press or media coverage or the accuracy or completeness or reliability of any such information or publication. To the extent that any such information appearing in publications other than this prospectus is inconsistent or conflicts with the information contained in this prospectus, the Company expressly disclaims it. Accordingly, prospective investors should not rely on any such information. In making your decision as to whether to purchase the Shares, you should rely only on the financial, operational and other information included in this prospectus.